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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: December 06, 2006

No Government until Christmas

Although coalition talks between the SPOe and the OeVP continue today, the formation of a government by Christmas is becoming increasingly unlikely. A range of issues is still up for discussion, including foreign and education policies and the controversial Eurofighter deal. On ORF radio, SPOe floor leader Josef Cap said he doubted a new cabinet would be presented by the end of the year, and blames the OeVP and its decision to suspend coalition talks for three weeks in November for the delay. Liberal daily Der Standard is reporting a "freeze" between the SPOe and the OeVP in the ongoing coalition negotiations. Chancellor Wolfgang Schuessel in a recent speech criticized what he called the Social Democrats' "make-a-wish" negotiation demands. The SPOe's ideas were not financeable, the Chancellor continued, and he was "not in possession of a cash cow." The SPOe meanwhile responded that it considers Schuessel's statements "completely misplaced." Party manager Doris Bures harshly criticized the Chancellor, calling him the "coalition bogeyman." Such a sweeping blow, she added, was simply "bad form."

Haubner Decree to Remain in Place

12. The controversial regulation issued by Social Affairs Minister Ursula Haubner earlier this year, which denies family benefits to the children of some foreign-born women, will not be lifted, despite massive criticism. The OeVP and the BZOe announced yesterday that the laws forming the basis for the regulation instead will be put to Parliament for review and amendment. Haubner and Health Minister Maria Rauch-Kallat said at a press conference that experts would be looking at the about 150 hardship cases. Like all Austrian media, mass-circulation tabloid Kronen Zeitung writes that the OeVP-BZOe government's decision not to overturn the Social minister's controversial ruling attracted massive criticism from the Social Democrats and the Greens. SPOe party manager Doris Bures complained that with the move Chancellor Wolfgang Schuessel has "lost credibility. It would have been possible to axe the regulation with a mere stroke of the pen," Bures emphasized. The SPOe would not "simply stand by and watch the Conservatives and the BZOe postpone a solution indefinitely," she added. The Greens meanwhile staged protests outside the Chancellery, pointing out that in their opinion "every child is equally valuable."

EU Presidency to Freeze Turkey Talks

13. Speaking in Brussels, Finnish EU Council President Matti Vanhanen

said he wants to implement a proposal by the EU Commission to put on partial hold the Turkish EU membership talks. As Turkey still refuses to comply with the so-called Ankara Protocol, which calls for the opening of Turkish ports to Cypriot ships and planes, "the Commission's proposal now forms a good basis for a Council decision," Vanhanen stressed.

Semi-official daily Wiener Zeitung writes in a front-page report that Berlin and Paris have increased pressure on Turkey in order to guarantee implementation of the Ankara Protocol. German Chancellor Angela Merkel has suggested suspending Turkish membership talks in certain areas for 18 months, followed by a vote within the EU on a potential continuation of the entry talks.

According to mass-circulation tabloid Oesterreich, the two major Austrian parties, the SPÖ and the ÖVP, hold equally negative views regarding Turkey's EU membership. The Social Democrats and the People's Party both argue that Turkish membership should hinge on implementation of necessary reforms. Further, the parties say the outcome of entry talks with Ankara must remain open, with a referendum held on its membership. Should Turkey not join the EU, a cooperation agreement should be concluded.

NATO Knocking on Austria's Door

14. At the NATO summit in Riga the Alliance declared its new Response Force ready for deployment. At the same time, however, NATO has been urging its member states to provide more troops. Now, the Alliance is also said to be planning to approach non-member countries unofficially -- reportedly including Austria -- suggesting participation in the force. The Austrian Defense Ministry, however, said Austria did not plan to take part, though a spokesman noted there has been no official invitation yet.

According to reports by ORF online news and Austrian Press Agency APA, NATO may soon offer Austria, as well as Finland and Sweden, a role in the Alliance's Response Force, newspaper reports in Stockholm and Helsinki suggest. Neutral Austria and Ireland, as well as non-aligned Sweden and Finland, have been taking part in NATO's Partnership for Peace (PfP) since 1995. Ahead of the Riga summit at the end of November, sources said individual NATO states including the US planned to offer certain states more extensive cooperation. On Tuesday afternoon, however, a negative response came from Vienna Defense Ministry spokesman Martin Brandstetter. He said that "from an Austrian point of view there is no plan to take part." In any case there had been "no formal invitation." The NATO Response Force (NRF), with a total of 25,000 personnel, has been built up over the past four years. The force, with a mobilization time of no more than five days, will take over civilian duties, but also classical combat missions. Its mobilization time will be no more than five days.

Iraq Study Group to Present Report

15. In the US, the bipartisan expert group reviewing policy in Iraq will issue its report today. The Iraq Study Group of ten former senior officials is expected to recommend a gradual withdrawal from Iraq of US troops over the next 18 months. The group is also expected to support a regional conference on Iraq involving Syria and Iran, and call for a comprehensive Middle East peace plan. Mass-circulation daily Kurier writes that the group headed by former Secretary of State James Baker is trying to present a way for the US

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to get out of the Iraq impasse. While many hope the Commission's report will provide some kind of "miracle plan," the Kurier says, it is doubtful whether US President Bush will implement the group's proposals. According to ORF radio news Morgenjournal, President Bush has indicated he will look closely at the recommendations, but not necessarily follow them. Centrist daily Die Presse online, however, argues that in the face of mounting violence in Iraq, the US President is increasingly under pressure to change his strategy.

Gates Outspoken on Iraq

16. The US Senate's Armed Services Committee voted unanimously to

recommend Senate confirmation Robert Gates as the next US Defense Secretary. At his hearing yesterday, Gates presented a critical

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assessment of the Iraq situation, and told the panel the US was "not winning" there. The current situation in Iraq was "not acceptable," he said, and urged a change of course in Washington's Iraq policy. ORF radio early morning news Morgenjournal quotes Robert Gates as stressing that "developments in Iraq over the next year or two will, I believe, shape the entire Middle East, and greatly influence global geopolitics for many years to come. We need to work together to develop a strategy that does not leave Iraq in chaos." According to liberal daily Der Standard, the designated Pentagon chief also underscored all options were on the table, and that he was "open to alternative suggestions." His comments have been welcomed by Republicans as well as Democrats, who said Gates' statements were "refreshingly" new in tone. Gates' confirmation is considered certain. Washington correspondent for centrist daily Die Presse Norbert Rief meanwhile argues that Gates' outspoken and realistic approach could indicate an imminent change of course in the White House's Iraq policy.

McCaw